GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:756
ANSWERED ON:22.11.2001
EFFECT ON GROWTH OF INDIAN ECONOMY
SUDARSANA E.M. NATCHIAPPAN

Will the Minister of POWER be pleased to state:

(a) whether the Indian Industry pays three times more for power than the Chinese industry;

(b) if so, the reasons therefor; and

(c) whether the Government have taken any steps to reduce the cost of power to Indian industry?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) : Average tariff paid by industry in China indicates that the tariff for industrial consumers in India is about two time higher.

(b) : In India Industrial consumers pay a tariff higher than the cost of supply to crosssubsidies domestic and agricultural consumers who pay a tariff below the cost of supply.

(c) : Government of India enacted the Electricity Regulatory Commissions Act 1998.According to the provisions of this Act, one of the guiding principles for the State Commissions while determining tariff is that the tariff progressively reflects the cost of supply of electricity at an adequate and improving level of efficiency. It also provides that if a state government requires the grant of any subsidy to any consumer or class of consumers, the State Government shall pay the amount to compensate the person affected by the grant of subsidy in the manner the regulatory commission may direct.